



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/036,102	11/07/2001	Samuel L. Greenfeld	00009/01UTL	2939

23873 7590 03/14/2006
ROBERT W STROZIER, P.L.L.C
PO BOX 429
BELLAIRE, TX 77402-0429

EXAMINER

RINES, ROBERT D

ART UNIT	PAPER NUMBER
----------	--------------

3626

DATE MAILED: 03/14/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	10/036,102	GREENFELD ET AL.	
	Examiner	Art Unit	
	Robert D. Rines	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07 November 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Notice to Applicant

[1] This communication is in response to the patent application filed 7 November 2001. It is noted that this application benefits from Provisional Patent Application Serial No. 60/246,412 filed 7 November 2000.

Claim Objections

[2] Claims 19-22 are objected to because a claim, which depends from a dependent claim, should not be separated by any claim which does not also depend from said dependent claim. It should be kept in mind that a dependent claim may refer to any preceding independent claim. Appropriate correction is required. See MPEP § 608.01(n).

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

[3] Claims 1-23 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Under the statute, the claimed invention must fall into one of the four recognized statutory classes of invention, namely, a process (or method); a machine (or system); an article of manufacture; or a composition of matter.

[A] Claim 1 recites a series of method steps for "improving the completion rate of a court ordered payment plans" and accordingly appears to be directed toward a recognized statutory class of invention. However, upon further analysis, claim 1 appears to be directed to the abstract idea/concept of coupling an insurance product to a structured payment plan.

[B] Under the guidance of recent case law, the requirements of 35 U.S.C. 101 are met when "the practical application of the abstract idea produces a useful, concrete, and tangible result" (*State Street Bank & Trust Co. vs. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998)). In general, coupling an insurance product to a payment plan or payments under a structured settlement plan is conceptually useful for providing failsafe protections that an insurance payout would cover debt payments in the event that the payor becomes unable to make the payments in the event of incapacitation, death, or unemployment.

[C] However, since the net result of the method step of claim 1 is merely the determination of financial, legal, or administrative rights and obligations of the parties involved, claim 1, as presently recited, does not appear to have a concrete result. In particular, it is unclear whether the claimed invention can be repeatable and predictable (and thus, concrete). Specifically, since

Art Unit: 3626

it appears that the policy terms and obligations may fall prey to the subjectivity, demeanor, and execution of the parties involved as well as to the rulings of the court, the claimed method is not reliable and repeatable (i.e., concrete) with respect to the functional objective of improving the completion of payment plans.

[D] Further, the method of the present invention, in and of itself, as recited in claim 1 fails to have a tangible result. It is unclear how the abstract concept of coupling an insurance policy to a structured payment plan definitely produces a tangible result. The net result of the method steps of claim 1 is the aggregation of non-functional descriptive material, i.e., financial, legal, or administrative rights and obligations of the involved parties. Because the objective of "improving the completion rate of court ordered payment plans" as recited in the preamble of the claim is not necessarily met by the aggregation of contract terms, and further such contract terms are not tangibly embodied on any medium, the claimed invention fails to produce a tangible result.

[E] In light of the above, it is respectfully submitted that the claimed invention, although useful, does not have a tangible and concrete result, and thus fails to recite the practical application of an abstract idea to satisfy the requirements of 35 U.S.C. 101.

[F] Claims 2-8, when analyzed in the same manner described above with respect to claim 1, also fail to represent an active step towards a concrete and tangible result. Therefore, claims 2-8 are rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter.

Art Unit: 3626

[G] Claims 9 and 16 when analyzed in the same manner as claim 1, also fail to produce a concrete and tangible result and therefore are rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter. Additionally, both claims 9 and 16 contain the added limitation of "terminating the insurance product, when the plan is complete". This limitation further signifies the failure of the overall method to reliably produce a tangible result. Specifically, in the event that the payor satisfies the requirements of the court ordered structured settlement payment plan, the policy is simply terminated and the method of the claimed invention has not participated in any meaningful way to the completion of the plan.

[H] Claims 10-15 and 17-22, when analyzed in the same manner described above with respect to claims 9 and 16, also fail to represent an active step towards a concrete, and tangible result. Therefore, claims 10-15 and 17-22 are rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter.

[I] Claim 23 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Under the statute, the claimed invention must fall into one of the four recognized statutory classes of invention, namely, a process (or method); a machine (or system); an article of manufacture; or a composition of matter. Claim 23 is not directed to a method, apparatus, or article of manufacture. Although directed to a system, claim 23 fails to recite any components of a system, but rather recites a series of legal and contractual requirements outlining the terms of a structured settlement payment plan, including the above

Art Unit: 3626

noted insurance provision. Therefore, claim 23 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

[4] Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lloyd (United States Patent #4,876,648) in view of Ware (Ware, Robert C., IS. Insurance Sales.

Art Unit: 3626

Indianapolis: Apr. 1986. Vol. 129, Iss. 4; pg. 92, 2pgs.), and further in view of examiner's Official Notice.

[A] As per claim 1, Lloyd teaches a method for improving the completion rate of a court ordered payment plans comprising the steps of: coupling an insurance product with the plan (Lloyd; col. 3, lines 64-68, and col. 4, lines 1-7), where the product includes: a life insurance component (Lloyd; col. 3, lines 64-68, and col. 4, lines 1-7), which provides funds in case of a payor's death during the term of the plan to repay an outstanding debt amount (Lloyd; col. 9, lines 43-58); a disability component (Lloyd; col. 7, lines 36-46), which provided funds in case of a payor's disability during the term of the plan to repay an outstanding debt amount (Lloyd; col. 9, lines 43-58); an unemployment component (Lloyd; col. 7, lines 36-46), which provided funds in case of a payor's unemployment during the term of the plan to repay an outstanding debt amount (Lloyd; col. 9, lines 43-58, and col. 10, lines 32-41); and a premium (Lloyd; col. 6, lines 40-58).

[i] Although Lloyd establishes a debt amount (Lloyd; col. 6, lines 40-49), clearly identifies a payor and a payee (Lloyd; col. 3, lines 44-55), determines a term in months for paying the debt amount (Lloyd; col. 6, lines 40-49, and col. 9, lines 10-22), and a schedule of debt payments to repay the debt during the term (Lloyd; col. 6, lines 40-49, and col. 9, lines 10-22), the invention of Lloyd is directed to securing a mortgage associated debt with an insurance policy. However, the invention of Lloyd would be beneficial to any term oriented repayment of debt in which a

Art Unit: 3626

debt amount is established with an associated installment plan for repayment, such as a court ordered or overseen structured settlement.

[ii] Official Notice is taken by the examiner that typical court proceedings for cases in which a debtor qualifies for bankruptcy, be it Chapter 13 or other, would serve to fulfill the limitations of establishing a plan to be overseen by a court or other judicial or quasi-judicial body, where the plan includes: a clearly identifiable payor and at least one clearly identifiable payee; a debt amount to be covered by the plan; a term in month for paying the debt amount; and a schedule of debt payments designed to repay the debt amount during the term. Typical bankruptcy proceedings result in a similar repayment plan. As is noted by Ware, it is common practice and well known in the art to utilize a life insurance policy to add structure to or secure a settlement (i.e., structured settlement) between a plaintiff and a defendant (Ware: Abstract).

[iii] It would have been obvious to one of ordinary skill in the art at the time the invention was made to have combined the teachings of Lloyd with the court ordered structured settlement plans that are typically the result of a bankruptcy proceeding. A typical bankruptcy proceeding would serve to clearly identify a payor and a payee, determine the debt owed and terms for repayment of the debt. The motivation to combine would have been to protect the lender/creditor in the event that the debtor dies, becomes disabled, or is unemployed before the loan (debt) is retired (Lloyd; col. 9, lines 42-58, and col. 7, lines 36-46).

Art Unit: 3626

[B] As per claim 2, Lloyd teaches the step of: terminating the insurance product, when the plan is complete (Lloyd; col. 9, lines 10-22).

[C] As per claim 3, Lloyd teaches the unemployment component activates only if the payor becomes unemployed through no fault of the payor during the term of the plan (Lloyd; col. 7, lines 36-46, and col. 9, lines 42-51).

[D] As per claim 4, the examiner is taking Official Notice that it is common and well known in the art that unsecured debt is often bundled as a result of a bankruptcy proceeding (Chapter 13 or other). Further, it is common practice and well known in the art that creditors with an outstanding, unsecured debt that becomes bundled are paid a pro rata share of payments. Further, in cases of bankruptcy, a trustee, i.e., a person or agency overseeing the plan often handles the receiving and distribution of funds to ensure that proceeds of each component are disbursed to all qualified creditors of the payor.

[E] As per claim 5, Lloyd teaches the premium comprises a single product payment or a plurality of product payments having the same or different product payment amount during the term of the plan (Lloyd; col. 25, lines 44-57).

[F] As per claim 6, Lloyd teaches wherein the product payments comprise equal monthly payments (Lloyd; col. 24, lines 5-16).

Art Unit: 3626

[G] As per claim 7, Lloyd teaches that the product payments start at an initial amount and decrease at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[H] As per claim 8, Lloyd teaches the product payments start at an initial amount and increase at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[I] Claim 9 differs from method claim 1 by reciting "Chapter 13 Bankruptcy Reorganization Plan" within its preamble, and further reciting "establishing a Chapter 13 Bankruptcy Reorganization Plan" as an initial limitation to the claim. As per this element the examiner is taking Official Notice that should a court determine that a debtor qualifies for a Chapter 13 Bankruptcy, that the result of the proceedings would typically be comparable to the structured settlement plan reached in proceedings leading to the structured settlement payment plan of claim 1.

[i] Claim 9 further differs from claim 1 by the added limitation of "terminating the insurance product when the plan is complete". This limitation is rejected on the same grounds as claim 2 above (see analysis claim 2).

[ii] The remainder of claim 9 repeats the same limitations of method claim 1, and is therefore rejected for the same reasons given for those claims.

[J] As per claim 10, Lloyd teaches wherein the unemployment component activates only if the debtor becomes unemployed through no fault of the debtor during the term of the plan (Lloyd; col. 7, lines 36-46, and col. 9, lines 45-51).

[K] As per claim 11, the examiner is taking Official Notice that it is common and well known in the art that unsecured debt is often bundled as a result of a bankruptcy proceeding (Chapter 13 or other). Further, it is common practice and well known in the art that creditors with an outstanding, unsecured debt that becomes bundled are paid a pro rata share of payments. Further, in cases of bankruptcy, a trustee, i.e., a person or agency overseeing the plan often handles the receiving and distribution of funds to ensure that proceeds of each component are disbursed to all qualified creditors of the payor.

[L] As per claim 12, Lloyd teaches wherein the premium comprise a single product payment or a plurality of product payments having the same or different product payment amount during the term of the plan (Lloyd; col. 25, lines 44-57).

[M] As per claim 13, Lloyd teaches wherein the product payments comprise equal monthly payments (Lloyd; col. 24, lines 5-16).

[N] As per claim 14, Lloyd teaches wherein the product payments start at an initial amount and decrease at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[O] As per claim 15, Lloyd teaches wherein the product payments start at an initial amount and increase at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[P] Claim 16 differs from method claim 9 by adding the following limitations which are taught by Lloyd: activating the life insurance component of the product, if the debtor dies during the term of the plan (Lloyd; col. 3, lines 64-68, col. 4, lines 1-7, col. 9, lines 43-58); activating the unemployment component of the product, if the debtor becomes unemployed during the term of the plan (Lloyd; col. 7, lines 36-46, col. 9, lines 43-58, and col. 10, lines 32-41), until the debtor becomes re-employed and able to resume plan payments or the plan is completed (Lloyd; col. 10, lines 32-41); activating the disability component of the product, if the debtor becomes disabled during the term of the plan until the debtor becomes enabled (Lloyd; col. 7, lines 36-46, col. 9, lines 43-58), re-employed and able to resume plan payments or the plan is completed (Lloyd; col. 10, lines 32-41).

[i] The remainder of claim 16 repeats the same limitations of method claim 9, and is therefore rejected for the same reasons given for claim 9.

[Q] As per claim 17, Lloyd teaches wherein the unemployment component activates only if the debtor becomes unemployed through no fault of the debtor (Lloyd; col. 7, lines 36-46, and col. 9, lines 42-51).

[R] As per claim 18, the examiner is taking Official Notice that it is common and well known

Art Unit: 3626

in the art that unsecured debt is often bundled as a result of a bankruptcy proceeding (Chapter 13 or other). Further, it is common practice and well known in the art that creditors with an outstanding, unsecured debt that becomes bundled are paid a pro rata share of payments. Further, in cases of bankruptcy, a trustee, i.e., a person or agency overseeing the plan often handles the receiving and distribution of funds to ensure that proceeds of each component are used as if the payment was coming directly from the debtor.

[S] Claims 19-22 do not differ from claims 12-15 and are accordingly rejected for the same reasons given for claims 12-15.

[T] Claim 23 differs from method claim 1 by the additional limitation of a provision for creditor bundling so that funds from the insurance product once activated are distributed according to the Chapter 13 Bankruptcy Reorganization Plan. However, this limitation is rejected under the same analysis as applied to claims 9 and 11.

[i] The remainder of claim 23 repeats the same limitations of method claim 1, and is therefore rejected for the same reasons given for that claim.

Conclusion

[5] The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Powers, DYNAMIC POLICY ILLUSTRATION SYSTEM, United States Patent #5,956,691

Meyer et al., SYSTEM AND METHOD FOR CONTROLLING THE CASH VALUE
GROWTH OF AN INSURANCE POLICY, United States Patent #6,041,304

Candura et al., SYSTEM AND METHOD FOR EVALUATING WORK PRODUCT, United
States Patent Application Publication #2001/0032156

Herzfeld, RENEWABLE REPRICED MORTGAGE CURANTEE INSURANCE, United States
Patent Application Publication #2002/0103750


Any inquiry concerning this communication or earlier communications from the
examiner should be directed to Robert D. Rines whose telephone number is 571-272-5585. The
examiner can normally be reached on 8:30am - 5:00pm Mon-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

R.D.R.

12.1 or 12.5
12/9/05


JOSEPH THOMAS
SUPERVISORY PATENT EXAMINER